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Ad Hoc Open-ended Intergovernmental Group of Experts on Energy and Sustainable Development
First session
New York, 6-10 March 2000

Letter dated 15 February 2000 from the Permanent Representative of Portugal addressed to the Secretary-General

I have the honour to transmit to you, on behalf of the European Union, a position paper for the first session of the Ad Hoc Open-ended Intergovernmental Group of Experts on Energy and Sustainable Development, to be held in New York from 6 to 10 March 2000 (see annex).

I would be grateful if you could circulate this letter and its annex as a document of the Commission on Sustainable Development.

(*Signed*) António **Monteiro**
Ambassador
Permanent Representative

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Annex

European Union position paper for the first session of the Ad Hoc Open-ended Intergovernmental Group of Experts on Energy and Sustainable Development

1. The challenge today and tomorrow

Energy is an indispensable ingredient for economic development. At the same time, however, conventional forms of energy production, distribution and consumption are linked to environmental degradation, which threatens human health and the quality of life as well as the integrity of the Earth's ecosystem. Furthermore, the availability of energy services is extremely unevenly distributed. Billions of people do not have access to electricity. Billions of people must collect and use solid fuel for cooking, with all the attendant impact on their own health, their time for other activities and the environment. With continued population growth, the access to affordable and appropriate energy services must and should grow significantly in order to improve the standard of living of the world's population.

The General Assembly has given the international community a mandate to work for a sustainable energy future for all. If this is to become a reality, change of extraordinary magnitude is necessary. The challenge before us is: how can affordable and appropriate energy services be produced and delivered economically and in an environmentally sound and socially acceptable manner? And how can the international community promote a movement towards a sustainable energy system?

With average per capita consumption of energy six times that of developing countries, industrialized countries have a major responsibility to contribute to the development of an energy system that would be supportive of sustainable development.

The main non-sustainable elements of the current situation are:

- Lack of access to energy services to meet and improve the conditions of the poor;
- Emissions and waste problems with a strong negative impact on human health and the environment;
- Unsustainable use of finite energy resources.

2. European Union priorities

The demand for energy services is projected to increase sharply in the next decades: the International Energy Agency expects total global energy demand to grow by close to 65 per cent from 1995 to 2020 in a business-as-usual scenario. It is therefore imperative to take policy decisions to shift towards a more sustainable situation by:

- Securing equitable access to affordable and appropriate energy services for all, as a prerequisite to alleviating poverty and economic development in all parts of the world;
- Limiting emissions and waste problems with negative impacts on the local, regional and global environment, and which threaten human health and well-

being. The need to meet international emission reduction commitments should be kept in mind reaffirming the high importance of an early ratification of the Kyoto Protocol;

- Making the best use of available energy resources, in particular respecting the limits to the usage of finite fossil energy resources;
- Ensuring high-energy efficiency in all end uses, and cleaner and more efficient production and conversion of energy;
- Increasing the use of renewable energy sources in all consuming sectors, including grid-connected as well as decentralized systems.

Governments must assume responsibility in setting up long-term sustainable energy policies, *inter alia*, by structuring energy sector decision processes in a democratic, transparent and participatory manner.

In order to best learn from past experience, all countries need access to appropriate technological and organizational tools so as to follow a sustainable development path.

3. Strategies to meet the priorities

The European Union (EU) advocates the following strategies to meet the priorities set out above:

- Governments using their ability to influence the production, distribution and use of energy through multiple actions — involving laws and regulations, fiscal policy, workable revenue collection methods, efficient pricing and education – in order to encourage structural reforms in the energy sector, including the market reforms necessary to make energy producing and consuming activities supportive of sustainable development, e.g., by eliminating monopolies when they are inefficient;
- In parallel, achieving accuracy of price signals, through internalization of externalities or environmental benefits, *inter alia*, by energy taxes (strengthening the implementation of the polluter pays principle) and phasing out of energy subsidies when they are harmful (both direct subsidies and implicit subsidies). Social objectives of most existing energy subsidies can often be met much more efficiently by means of well-targeted social programmes;
- Paying close attention to long-term development planning since national energy balance is largely determined by long-lived infrastructure of the major energy-consuming sectors, such as transportation, urban lay outs, buildings and industrial plants;
- Attracting private investment to energy service delivery systems by promoting structural reform, ensuring judicial security and creating an adequate business environment in order to orient investments towards sustainable development objectives;
- Establishing strong policies, strategies and schemes to ensure energy efficiency in conversion processes and all end uses of energy, at the same time minimizing energy inputs and ensuring overall, least-cost solutions to society;

- Promoting eco-efficiency as a means of reducing energy demand, for instance through recycling, or through the redesign of goods so as to use less energy-intensive materials;

- Increasing support for public and private research and development to bring sustainable energy technologies to the market. Technologies appropriate to specific local context of developing countries should be developed through cooperation in research and through joint business ventures. Particular attention should be given to the best use of available technologies given their large potential for improving energy efficiency;

- Urging international financial institutions to promote sustainable energy systems and projects, including energy efficiency-related investments, through their lending policies, and urging them to develop innovative financing models, such as microcredit lines, with special emphasis on the needs of the least developed countries;

- Inviting the United Nations system and donor countries to promote sustainable energy in their development cooperation activities. The importance of donor countries fulfiling the United Nations objective of 0.7 per cent of official development assistance (ODA) is underlined. ODA should be concentrated on activities and objectives that market forces will not achieve;

- Promoting general awareness and capacity-building in sustainable energy policies on the supply side and in the major energy demand sectors (city planning, building, transport infrastructures, industry and agriculture);

- Enhancing private-public partnerships to create shared understandings on issues pertinent to the development of sustainable energy policies;

- Supporting increased participation of civil society in national and international policy development and project development, through the rule of the law and democratic, participatory and transparent decision-making;

- Urging donors, international financial institutions and the United Nations system to pay particular attention to issues relating to the least developed countries and the poorest communitites, in particular by treating sustainable energy as a means of providing services to reduce poverty and promote the development process rather than as an end in itself. Special attention should be given to traditional forms of energy — mostly biomass — in order to ensure sustainable production and collection practices, optimize conversion processes and minimize health impacts and deforestation;

- Promoting environmentally sound renewable energies through energy policies in all consuming sectors;

- Encouraging energy-efficient transport technologies, such as public transport, railways or bimodal systems, through transport planning and in the building of adequate infrastructure.

In order to implement the above strategies both strong political commitments and adequate organizational set-ups are needed in all countries.

4. March 2000 session in New York of the Intergovernmental Group of Experts on Energy and Sustainable Development

This session:

- Should lead to the identification of a limited number of issues on which work should be done leading up to the ninth session of the Commission and as an input to the 10-year review of the United Nations Conference on Environment and Development;
- Should orchestrate the international work to be done until the ninth session of the Commission (including lead countries for specific themes, inter-sessional events etc.);
- Should discuss links between the energy and transport themes of the ninth session of the Commission;
- Should also be attended by energy specialists from governmental development agencies.

5. Desired outcome of the ninth session of the Commission

The desired outcome of this session would be:

- Adoption of a "Shared goals of action" paper on sustainable energy;
- Recommendations on those areas where intergovernmental action is necessary to promote national policies for energy in the service of sustainable development, including frameworks for possible national strategies for sustainable energy;
- Definition of the role that the United Nations system should play in moving towards implementing the objectives of the General Assembly agreed at its nineteenth special session;
- Recommendations for and support of regional cooperation schemes for sustainable energy, including regional strategies for sustainable energy, regional conventions on transboundary air-pollution and regional energy systems;
- Consideration of concrete proposals to strengthen public-private partnerships;
- Opportunities before and during the ninth session of the Commission to share experiences and best practices on sustainable energy development.